
HOUSE BILL 2555

State of Washington

62nd Legislature

2012 Regular Session

By Representative Roberts

Read first time 01/17/12. Referred to Committee on Business & Financial Services.

1 AN ACT Relating to common interest community managers; amending RCW
2 18.85.151; and adding a new chapter to Title 64 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The definitions in this section apply
5 throughout this chapter unless the context clearly requires otherwise.

6 (1) "Common interest community association" means real estate
7 described in a declaration with respect to which a person, by virtue of
8 the person's ownership of a unit, is obligated to pay for a share of
9 real estate taxes, insurance premiums, maintenance, or improvement of,
10 or services or other expenses related to, common elements, other units,
11 or other real estate described in the declaration.

12 (2) "Common interest community manager" means a natural person who,
13 in an advisory capacity, for compensation or in expectation of
14 compensation, whether acting as an independent contractor to, employee
15 of, general manager or executive director of, or agent of a common
16 interest development, provides management or financial services,
17 negotiates an agreement to provide management or financial services, or
18 represents himself or herself to act in the capacity of providing

1 management or financial services to an association governed under
2 chapter 64.32, 64.34, or 64.38 RCW.

3 (3) "Department" means the Washington state department of
4 licensing.

5 (4) "Director" means the director of the Washington state
6 department of licensing.

7 NEW SECTION. **Sec. 2.** The power of the director is as authorized
8 under RCW 18.235.040.

9 NEW SECTION. **Sec. 3.** To perform services as a common interest
10 community manager in the state of Washington, a natural person must
11 fulfill the qualifications for registration as a common interest
12 community manager and submit a registration and accurate information to
13 the department. The natural person must meet each of the following
14 registration requirements:

15 (1) Be at least eighteen years of age and a citizen or legal
16 permanent resident of the United States;

17 (2) Not have been convicted of or pled guilty to a felony or other
18 similar offense or offenses that involve issues of honesty, financial
19 matters, or other matters that address moral turpitude within the past
20 ten years;

21 (3) Hold, in good standing, an active certified manager of
22 community associations, administered by the national board of
23 certification for community association managers; certified property
24 manager, administered by the institute of real estate management;
25 association management specialist, administered by community
26 associations institute; or professional manager of community
27 associations, administered by community associations institute;

28 (4) Agree, in writing, to abide by the standards of professional
29 and ethical conduct as prescribed by the organization conferring the
30 professional credential that qualifies for the common interest
31 community manager registration, and to fully cooperate with any
32 investigation into alleged breaches of the standards of professional
33 and ethical conduct by the applicant; and

34 (5) Not have failed to cooperate with any law enforcement or
35 regulatory agency in any investigation of any law enforcement or
36 regulatory complaint within the past ten years.

1 NEW SECTION. **Sec. 4.** (1) Common interest community managers must
2 comply with the standards of professional and ethical conduct as
3 prescribed by the organization conferring the professional credential
4 that qualifies them for the common interest community manager
5 registration. Sanctions against the registrant must follow the process
6 outlined in RCW 18.235.110, in which the director has disciplinary
7 authority.

8 NEW SECTION. **Sec. 5.** This chapter does not apply to the
9 following:

10 (1) Any director, officer, or resident of a common interest
11 community association providing one or more of the services of a common
12 interest community manager without compensation for such services;

13 (2) Any person employed or retained by, for, or on behalf of the
14 common interest community management company or a registered common
15 interest community manager, assisting in the performance of common
16 interest community management functions by carrying out administrative,
17 clerical, financial, or maintenance tasks;

18 (3) A reserve study professional acting solely as a service
19 provider in conjunction with the practice of performing a reserve study
20 as described in chapters 64.34 and 64.38 RCW;

21 (4) A licensed practicing attorney acting solely as an incident to
22 the practice of law;

23 (5) A licensed practicing certified public accountant acting solely
24 as an incident to the practice of accounting;

25 (6) A real estate broker or salesperson selling, leasing, renting,
26 or managing lots within a common interest community;

27 (7) Any person acting as a receiver, trustee in bankruptcy,
28 administrator, executor, or guardian acting under a court order or
29 under the authority of a will or a trust instrument; or

30 (8) A declarant.

31 NEW SECTION. **Sec. 6.** A common interest community manager
32 registration expires once every two years and may be renewed upon
33 compliance of all initial qualifications for registration as a common
34 interest community manager.

1 NEW SECTION. **Sec. 7.** Managers of common interest communities in
2 the state of Washington must fully comply with this chapter within
3 eighteen months after the effective date of this section.

4 NEW SECTION. **Sec. 8.** The uniform regulation of business and
5 professions act, chapter 18.235 RCW, governs unlicensed practice, the
6 issuance and denial of registrations, and the discipline of registrants
7 under this chapter.

8 **Sec. 9.** RCW 18.85.151 and 2008 c 23 s 16 are each amended to read
9 as follows:

10 This chapter shall not apply to:

11 (1) Any person who purchases or disposes of property and/or a
12 business opportunity for that individual's own account, or that of a
13 group of which the person is a member, and their employees;

14 (2) Any duly authorized attorney-in-fact acting under a power of
15 attorney without compensation;

16 (3) An attorney-at-law in the performance of the practice of law;

17 (4) Any receiver, trustee in bankruptcy, executor, administrator,
18 guardian, personal representative, or any person acting under the order
19 of any court, selling under a deed of trust, or acting as trustee under
20 a trust;

21 (5) Any secretary, bookkeeper, accountant, or other office
22 personnel who does not engage in any conduct or activity specified in
23 any of the definitions under RCW 18.85.011;

24 (6) Employees of towns, cities, counties, or governmental entities
25 involved in an acquisition of property for right-of-way, eminent
26 domain, or threat of eminent domain;

27 (7) Only with respect to the rental or lease of individual storage
28 space, any person who owns or manages a self-service storage facility
29 as defined under chapter 19.150 RCW;

30 (8) Any person providing referrals to licensees who is not involved
31 in the negotiation, execution of documents, or related real estate
32 brokerage services, and compensation is not contingent upon receipt of
33 compensation by the licensee or the real estate firm;

34 (9) Certified public accountants if they do not promote the
35 purchase, listing, sale, exchange, optioning, leasing, or renting of a
36 specific real property interest;

1 (10) Any natural persons or entities including title or escrow
2 companies, escrow agents, attorneys, or financial institutions acting
3 as escrow agents if they do not promote the purchase, listing, sale,
4 exchange, optioning, leasing, or renting of a specific real property
5 interest;

6 (11) Investment counselors if they do not promote the purchase,
7 listing, sale, exchange, optioning, leasing, or renting of a specific
8 real property interest; (~~and~~)

9 (12) Common interest community managers as defined in section 1 of
10 this act; and

11 (13) Any person employed or retained by, for, or on behalf of the
12 owner or on behalf of a designated or managing broker if the person is
13 limited in property management to any of the following activities:

14 (a) Delivering a lease application, a lease, or any amendment
15 thereof to any person;

16 (b) Receiving a lease application, lease, or amendment thereof, a
17 security deposit, rental payment, or any related payment for delivery
18 to and made payable to the real estate firm or owner;

19 (c) Showing a rental unit to any person, or executing leases or
20 rental agreements, and the employee or retaineer is acting under the
21 direct instruction of the owner or designated or managing broker;

22 (d) Providing information about a rental unit, a lease, an
23 application for lease, or a security deposit and rental amounts to any
24 prospective tenant; or

25 (e) Assisting in the performance of property management functions
26 by carrying out administrative, clerical, financial, or maintenance
27 tasks.

28 NEW SECTION. Sec. 10. Sections 1 through 8 of this act constitute
29 a new chapter in Title 64 RCW.

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